ANNUAL REPORT

for the fiscal year ending

MAY 31st, 1937

AGNEW-SURPASS SHOE STORES LIMITED

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AGNEW-SURPASS
SHOE STORES
LIMITED

NINTH

Annual Report

for the fiscal year ending

MAY 31st, 1937

to be submitted at the Annual Meeting of Shareholders to be held at the Head Office of the Company, Brantford, Ontario, September 8th, 1937, at 10.30 am., E.S.T.

BRANTFORD, ONTARIO

CANADA

NINTH
ANNUAL REPORT OF THE DIRECTORS
of
AGNEW-SURPASS SHOE STORES LIMITED

BRANTFORD, JULY 6TH, 1937

TO THE SHAREHOLDERS:—

Your Directors submit herewith Consolidated Balance Sheet as of May 31st, 1937, together with Profit and Loss and Surplus Statement for the year ending that date, of Agnew-Surpass Shoe Stores Limited and subsidiary.

The Company's sales and earnings continue to reflect the improvement in business conditions. Sales amounted to $2,630,979.19 (after eliminating sales from factory to store company). Gross earnings were $225,766.64 and after deducting $70,834.86 to cover depreciation, Federal and Provincial Income Taxes and Directors' fees, there remained net earnings for the year of $154,931.78.

The full year's dividends have been paid on the Preferred stock and from the profits remaining, your Directors have declared dividends totalling fifty cents per share on the Common stock, together with a bonus of thirty cents per share, the dividend for the last half year and bonus being payable September 1st, next, making eighty cents per share from the year's operations.

Seven new stores were opened during the year making a total of 74 stores in operation as of May 31st, last, since which

date 3 additional stores have been opened. At the factory new equipment has been installed at a cost of $22,558.17.

Your subsidiary company purchased during the year an additional 525 Preferred Shares of the Company, bringing the total to 1163 shares now held, reducing the number of shares in the hands of the public to 8837 shares.

By-law No. 20, section B, has been amended by your directors so that the signatures of the officers of the Company on share certificates may be printed, lithographed or engraved, thereon. This amendment will be submitted for your approval at the annual meting.

Your Directors wish to express appreciation of the splendid services rendered by the department officials, store managers and employees during the year.

On behalf of the Board,

J. ELLIS WARRINGTON,

President.

AGNEW-SURPASS SH

AND SUBSIDI

Consolidated Balance Sh

ASSETS

CURRENT ASSETS:			
Cash on hand and in banks (Net)		$ 33,188.41	
Accounts and Bills Receivable	$109,514.53		
Less Reserve for Bad Debts	11,075.00		
		98,439.53	
Merchandise Inventories, determined by physical stock taking for subsidiary company and book inventories, periodically verified, for stores and warehouses, and valued at the lower of cost or market, as certified by the management		1,142,262.73	
Advances to Employees		2,604.00	
Prepaid Expenses and Accrued Revenue		8,955.45	
			$1,285,450.12
LIFE INSURANCE AND FIRE INSURANCE DEPOSITS			10,027.43
SUNDRY LOANS (NET)			20,841.66
FIXED ASSETS at depreciated appraisal values per appraisals of Canadian Appraisal Company, Limited dated May 17th and 18th, 1928, plus subsequent additions at cost (except for Lasts, Dies and Patterns which are shown at nominal value).			
Land		$ 76,265.00	
Buildings		223,232.08	
Plant, Machinery, etc		109,589.24	
Furniture and Fixtures		182,778.06	
Improvements to Leasehold Properties		34,254.51	
Automobile		1,355.60	
Lasts, Dies and Patterns		33,000.00	
		$ 660,474.49	
Less Reserve for Depreciation		251,457.76	
			409,016.73
PATENTS UNDER LEASE AND PRODUCING REVENUE			15,000.00
			$1,740,335.94

Approved:

J. E. WARRINGTON FRANK BAUSLAUGH

Directors of Agnew-Surpass Shoe Stores, Limited

)E STORES, LIMITED
RY COMPANY

t (as at May 31st, 1937)

LIABILITIES

CURRENT LIABILITIES:			
Accounts and Bills Payable		$ 139,712.55	
Accrued Wages and Expenses		20,537.87	
Provision for Taxes		46,998.63	
Dividend declared, payable July 2nd, 1937		15,464.75	
			$ 222,713.80
EQUITY OF MINORITY INTERESTS IN SUBSIDIARY COMPANY: (Shares owned by Directors as qualification)			960.00
FIRE INSURANCE RESERVE			25,817.78
CAPITAL AND SURPLUS:			
Capital Stock:			
7% Cumulative Convertible Preferred:			
Authorized, 15,000 shares of $100 each			
Issued, 10,000 shares	$1,000,000.00		
Less 1,163 shares held by subsidiary company	116,300.00		
		$ 883,700.00	
Common:			
Authorized, 135,000 shares of no par value:			
Issued, 80,000 shares	$ 266,456.14		
Less 476 shares held by subsidiary company	1,585.41		
		264,870.73	
Earned Surplus		342,273.63	
			1,490,844.36
CONTINGENT LIABILITY ON BILLS RECEIVABLE UNDER DISCOUNT	$ 77,699.22		
			$1,740,335.94

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the books of Agnew-Surpass Shoe Stores, Limited and its subsidiary company for the year ended May 31st, 1937, and have obtained all the information and explanations we have required. We report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of said companies, according to the best of our information and the explanations given us, and as shown by their books.

THORNE, MULHOLLAND, HOWSON & MCPHERSON
Chartered Accountants

Toronto, Canada, July 5th, 1937.

AGNEW-SURPASS SHOE STORES, LIMITED

AND SUBSIDIARY COMPANY

Consolidated Profit and Loss and Surplus Account

(Year ended May 31st, 1937)

EARNED SURPLUS, BALANCE JUNE 1ST, 1936			$ 302,511.41
Net Operating Profit for year, after deducting executive salaries and legal fees, $48,027.17, but before undermentioned items	$ 224,337.30		
Add Income from Investments	1,429.34	$ 225,766.64	
Deduct:			
Provision for Depreciation	$ 36,814.86		
Provision for Federal and Provincial Income Taxes	33,525.00		
Directors' Fees	495.00	70,834.86	
NET EARNINGS FOR YEAR		$ 154,931.78	
Deduct Miscellaneous Adjustments		2,688.75	
NET SURPLUS FOR YEAR			152,243.03
			$ 454,754.44
Deduct:			
Dividends on Preferred Stock		$ 70,000.00	
Dividends on Common Stock		48,000.00	
		$ 118,000.00	
Less Subsidiary Company's Portion		6,256.60	
		$ 111,743.40	
Additional Income Taxes, prior periods		737.41	
			112,480.81
EARNED SURPLUS, MAY 31ST, 1937			$ 342,273.63

EXECUTIVE OFFICERS

J. Ellis Warrington
President

Frank Bauslaugh
Vice-President and General Manager, Brantford

K. R. Gillelan
Secretary-Treasurer

H. H. Gibaut
Assistant Secretary-Treasurer

H. M. Millar
Assistant Secretary

BOARD OF DIRECTORS

M. John Sheehy
John Bauslaugh
Harold A. Greene
Russell D. Bell
J. Ellis Warrington
Frank Bauslaugh

SEVENTY-FOUR

AGNEW-SURPASS SHOE STORES

ONTARIO

BARRIE

BELLEVILLE

BRANTFORD
166 Colborne
16 Market

BROCKVILLE

CHATHAM

COBOURG

CORNWALL

DUNNVILLE

GALT

GODERICH

GUELPH

HAMILTON
71 King, E.
13 Market Sq.
272 Ottawa, N.

HANOVER

INGERSOLL

KINGSTON

KITCHENER

LEAMINGTON

LINDSAY

LISTOWEL

LONDON

MIDLAND

NIAGARA FALLS

NORTH BAY

ORILLIA

OSHAWA

OWEN SOUND

PETERBORO

PORT COLBORNE

SARNIA

SAULT ST. MARIE

SIMCOE

STRATFORD

SUDBURY

ST. CATHARINES

ST. THOMAS

TORONTO
106 Yonge
252 Yonge
729 Yonge
2512 Yonge
505 Danforth
686 Danforth
2040 Danforth
606 Bloor St. W.
952 Bloor St. W.
1216 Bloor St. W.
2310 Bloor St. W.
2948 Dundas St. W.
992 St. Clair Ave. W.
1232 St. Clair Ave. W.

WALLACEBURG

WELLAND

WINDSOR
359 Ouellette Ave.
1410 Wyandotte St.

WOODSTOCK

QUEBEC

MONTREAL
1111 St. Catherine W.

THREE RIVERS

QUEBEC
10 St. John

NEW BRUNSWICK

CAMPBELLTON

FREDERICTON

MONCTON

SAINT JOHN
677 Main
187-189 Union

ST. STEPHEN

NOVA SCOTIA

AMHERST

NEW GLASGOW

SPRINGHILL

SYDNEY

TRURO

WINDSOR

YARMOUTH

PRINCE EDWARD ISLAND

CHARLOTTETOWN

Canada's Greatest Chain Shoe Stores

GOOD LOOKS AND COMFORT

YOU'LL LIKE RITCHIE SHOES

for their smart and trim appearance. For the way they stand up long after ordinary shoes are worn out. They're built to fit your foot—solidly, comfortably. Make your shoe dollar go farther—and when next you choose shoes, choose Ritchie Shoes—they're priced right!

Ritchie SHOES FOR MEN

RITCHIE SHOES - - $5 to $7
RITCHIE FLEXIBLE SHOES - - $8
RITCHIE PROP-R-ARCH SHOES $8

The John Ritchie Company Limited

Established 1879

Canada's Largest Makers of Men's Fine Shoes

AT ALL

AGNEW-SURPASS SHOE STORES